



**MEETING OF THE RETIREMENT BOARD
OF THE COUNTY EMPLOYEES' AND OFFICERS' ANNUITY AND BENEFIT FUND
OF COOK COUNTY AND EX OFFICIO FOR THE FOREST PRESERVE DISTRICT
EMPLOYEES' ANNUITY AND BENEFIT FUND OF COOK COUNTY
33 N Dearborn St, Suite 1000
Chicago, IL 60602**

Minutes for the August 7, 2014 Meeting of the Board

The County Employees' and Officers' Annuity and Benefit Fund of Cook County and the Forest Preserve District Employees' Annuity and Benefit Fund of Cook County are herein collectively referred to as the "Fund."

Call to Order and Roll Call

Trustees Present: Alexis Herrera, Jack Fitzgerald, Diahann Goode, Brent Lewandowski, Patrick McFadden, Patrick Nester, Samuel Richardson, Jr. and Lawrence Wilson

Staff Present: Nickol R. Hackett, Executive Director & CIO; Michael Maratea, Director of Finance; Paul Rzeszutko, Director of Annuity Benefits; Brenda Deming, Director of Health Benefits; Gary LeDonne, Senior Benefit Advisor; Margaret Fahrenbach, Legal Adviser; Fernando Vinzons, Investment Officer, Kwesi Quaye, Investment Analyst, Rachel Farris, Manager of Communications; Beverly Romanini, Executive Administrative Assistant

Others Present: Mary Pat Burns, Burke Burns & Pinelli, LTD; Theron Picketts, Topeka Capital; Eric Harris, Loop Capital; Abin Kuriakose, Commissioner Gainer's Office; Mia Cole Nelson, Teamster Unison; Andre Rice, Irwin Loud III, Marcia Markowitz, Muller & Monroe Asset Management

Public Comment

Trustee Herrera opened the meeting for public comment, no one having requested to do so, the Board considered the next item of business on the Agenda.

1. Review and Consideration of:

- a. July 10, 2014 Board Meeting Minutes.

It was moved by Trustee Richardson and seconded by Trustee Goode that the minutes of the July 10, 2014, Board Meeting be adopted.

Vote Result: MOTION ADOPTED UNANIMOUSLY BY VOICE VOTE

- b. Bills, Payroll Records, Annuities, Spouse and Child Annuities, Ordinary and Duty Disabilities, and Refunds.

The Fund's monthly bills and payroll records were presented for the Board's approval.

It was then moved by Trustee Goode and seconded by Trustee McFadden that the action taken by the Fund's staff in remitting payments for the presented bills and payroll records be approved.

Roll Call Vote:

AYES: Fitzgerald, Goode, Herrera, Lewandowski, McFadden, Nester,
Richardson, Wilson
NAYS: None

Vote Result: MOTION ADOPTED

- c. Annuities, Spouse and Child Annuities and Refunds

The Fund's staff presented their recommendations to the Board regarding the applications for annuities, spouse and child annuities and refunds and confirmed that they followed the Fund's procedures in reviewing and processing the applications in making their recommendations.

It was then moved by Trustee Richardson and seconded by Trustee Nester, after due consideration of the applications presented to the Board and having received confirmation from the staff that they followed the Fund's procedures in reviewing and processing the applications, that the recommendations for the presented annuities and refunds be approved.

Roll Call Vote:

AYES: Fitzgerald, Goode, Herrera, Lewandowski, McFadden, Nester,
Richardson, Wilson
NAYS: None

Vote Result: MOTION ADOPTED

- d. Ordinary and Duty Disabilities

The Fund's staff presented their recommendations to the Board regarding the applications for ordinary and duty disability benefits and confirmed that they followed the Fund's procedures in reviewing and processing the applications in making their recommendations.

It was moved by Trustee Lewandowski and seconded by Trustee Goode, after due consideration of the disability applications presented to the Board and having received confirmation from the staff that they followed the Fund's procedures in reviewing and

processing the applications, that the recommendations for the presented disability applications be approved.

Roll Call Vote:

AYES: Fitzgerald, Goode, Herrera, Lewandowski, McFadden, Nester,
Richardson, Wilson

NAYS: None

Vote Result: MOTION ADOPTED

2. Administrative Report

a. Records Management Update

Nickol R. Hackett, Executive Director, reported that the Fund had met with the County's Record Management Administrator, to discuss the Fund's use of storage space at the warehouse located at 2323S. Rockwell. The Fund staff reviewed with the County's representative how the warehouse space was used and discussed the Fund's plans for electronically imaging all documents in order to decrease the need for storage space. In regard to the Fund's ongoing document imaging project, the Executive Director stated that the Fund was moving from concentrating on a storage protocol to a greater focus on the use of the electronic images for processing and managing the members' files.

b. Travel Approval

The Executive Director then stated that the International Foundation for Employee Benefit Plans was conducting its Public Employee Policy Forum regarding the development of policies affecting retirement and health plans for public sector employees.

It was moved by Trustee Fitzgerald and seconded by Trustee Lewandowski that the expenses, including any related travel expenses, incurred by Fund staff in attending the indicated IFEBP's Public Employee Policy Forum in Washington, D.C. on September 15-16, 2014, at a projected cost not to exceed \$1,600 per attendee be approved provided that any reimbursement be in and for amounts consistent with the Fund's Travel Reimbursement Policy.

Roll Call Vote:

AYES: Fitzgerald, Goode, Herrera, Lewandowski, McFadden, Nester,
Richardson, Wilson

NAYS: None

Vote Result: MOTION ADOPTED

3. Finance Report

Michael Maratea, Director of Finance then presented the Resolutions for the 2015 Tax Levy for the County Fund and the Forest Fund for the Board's consideration. The Resolution for the County Fund requested a net tax levy in the amount of \$192,786,467 and the Resolution for the Forest Fund requested a net tax levy in the amount of \$3,493,374. The Resolutions also provided that the Fund's actuary estimated that the amount needed from the County to meet the actuarial needs of each fund exceeded the net tax levies. Ms. Mary Pat Burns stated that the Board should make the request for the actuarial determined amount as estimated by the Fund's actuary, even though the County was only obligated to provide the lesser statutory contribution.

a. 2015 Levy Cook County

It was moved by Trustee McFadden and seconded by Trustee Goode that the Resolution for the 2015 Tax Levy for the Cook County Fund be approved and adopted.

Vote Result: **MOTION ADOPTED UNANIMOUSLY BY VOICE VOTE**

b. 2015 Levy Forest Preserve District

It was moved by Trustee Richardson and seconded by Trustee Goode that the Resolution for the 2015 Tax Levy for the Forest Preserve District Fund be approved and adopted.

Vote Result: **MOTION ADOPTED UNANIMOUSLY BY VOICE VOTE**

4. Legal Report

a. Laurie Brennan – Hearing Officer Appointment

Margaret M. Fahrenbach, Legal Advisor, then presented a request for the Board to appoint a hearing officer for the administrative hearing requested by Ms. Laurie Brennan.

It was moved by Trustee McFadden and seconded by Trustee Nester that the Board appoint Mr. Patrick T. Driscoll to serve as the hearing officer for the administrative hearing requested by Ms. Laurie Brennan and that he make a recommendation to the Board about whether the record reflects that Ms. Brennan's disability commenced during a period of absence from duty without pay within the meaning of Section 9-157 and whether Ms. Brennan is eligible for the benefits requested.

Vote Result: **MOTION ADOPTED UNANIMOUSLY BY VOICE VOTE**

b. Spouse Annuity Application – Lepolean Redmond

Paul Rzeszutko, Director of Retirement Benefits, provided a summary to the Board of the status of the application for a spouse annuity filed by Mr. Lepolean Redmond. Mr. Rzeszutko stated that the Fund's staff was in the process of reviewing the supporting documentation that was presented for the application for benefits and was seeking clarification about discrepancies among the documents. The trustees discussed the status of

the review and suggested that the Fund staff retain investigative services to assist in the verification of the documents retained. It was further determined that the matter would be deferred for consideration at a later meeting.

5. Consideration of July 22, 2014 Investment Committee Recommendations

The Executive Director presented the various rebalancing recommendations made by the Investment Committee relating to ASB Capital Management, Thornburg Investment Management's International Equity mandate and Chicago Equity Partners' Core Fixed Income mandate. In addition, the Investment Committee had made a recommendation for a follow-on allocation to Muller & Monroe Asset Management. Mr. Andre Rice of Muller & Monroe Asset Management, accompanied by Mr. Irwin Loud, III and Ms. Marcia Markowitz, presented a description of the personnel and the strategies implemented in the Muller & Monroe Private Equity Fund of Funds II, L.P., which was under consideration for the follow-on allocation.

It was moved by Trustee McFadden and seconded by Trustee Lewandowski that the Board adopt the presented recommendations made by the Investment Committee at their meeting on July 22, 2014, and it is further moved that the Fund staff take all action reasonably necessary to effectuate the foregoing including the retention of Russell Investment Services for transition services consistent with their engagement for portfolio restructuring activities.

Roll Call Vote:

AYES:	Goode, Herrera, Lewandowski, McFadden, Nester, Richardson, Wilson
PASS:	Fitzgerald
NAYS:	None

Vote Result: MOTION ADOPTED

6. Health Benefits Committee Report

Brenda Deming, Director of Health Benefits, presented the recommendation made by the Health Benefits Committee at their meeting on August 6, 2014, regarding the proposals made for health plan administrative services, including disease management and prevention programs. The proposal made by UnitedHealthcare Inc. for the PPO Network Plan and the Board Network Copay Plan offered significant savings in comparison to the current cost structure, which included that fees for administrative services would be guaranteed at the proposed rates for three years.

It was then discussed whether the health benefits for the Fund's employees should also be provided by UnitedHealthcare Inc., rather than through the benefits plan provided to County employees. The trustees noted that any such change should not adversely impact the employees of the Fund. The Trustees requested to be informed on the impact of a potential change.

It was moved by Trustee McFadden and seconded by Trustee Lewandowski that the Board conditionally approve the proposal made by the Health Benefits Committee at their meeting on August 6, 2014, to accept the proposal of UnitedHealthCare, Inc. to provide health benefit services to the Funds' annuitants and dependents. It was further moved that the Fund's staff should take all

action reasonably necessary to enter negotiations relating to the foregoing and that the authority to execute and deliver related written agreements would be deferred.

Roll Call Vote:

AYES: Fitzgerald, Goode, Herrera, Lewandowski, McFadden, Nester, Richardson

PRESENT: Wilson

NAYS: None

Vote Result: MOTION ADOPTED

7. New Business

The Executive Director notified the Board that Rachel Farris, Manager of Communications, she is discontinuing her full time position due to a family relocation and will be supporting the Fund on a limited project basis.

8. Adjournment

There being no further business before the Board, it was moved by Trustee McFadden and seconded by Trustee Goode to adjourn the meeting.

The next Board meeting is scheduled for September 4, 2014, at 9:30 a.m.